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College Cost Reduction Act will increase loan and Pell Grant aid at no cost to tax payers

(Washington, DC) The U.S. House of Representatives passed the College Cost Reduction Act of 2007 today, providing the single largest investment in higher education since the GI Bill. The \$18 billion investment over five years will go towards student loan and Pell Grant aid and will save students and families thousands of dollars over the life of the typical loan to a four-year school.

"The rising cost of tuition at a four year university over the past few years has been unacceptable. We can't even begin to be competitive in the global marketplace if our students and families find higher education unattainable," said Congressman Tim Ryan. **"Th**
at's why I am happy to announce that this bill will increase student Pell Grant aid \$618,000,000 in Ohio and will increase student loan aid, saving our families an average of \$4,320 for each student over the life of the student loan."

The bill raises the maximum value of the Pell Grant scholarship by \$500 by 2011. When

combined with other increases passed by Congress this year, the maximum Grant will reach \$5,200 by 2011, up from \$4,050 in 2006. This will benefit over 5.5 million low- and moderate-income students across the nation, 224,615 of whom live in Ohio. The bill also cuts interest rates in half on need-based student loans, reducing the cost of those loans for millions of borrowers.

One of the bill's hallmarks is its encouragement and reward for students who go into public service careers. The bill provides tuition assistance for excellent undergraduate students who agree to teach in the nation's public schools, loan forgiveness for college graduates that go into public service professions and provides loan forgiveness for first responders, police officers, fire fighters and nurses. The bill also increases federal loan limits so students don't have to rely as heavily on costlier private loans and also creates new tuition cost containment strategies. The bill does all this without raising any taxes or creating any new spending.

"I am proud to say that this historic bill is also a case study in fiscal responsibility. By focusing our attention on making lower- and middle- class families our priority instead of large corporate subsidies, we were able to create a bill that creates a significant financial impact on average Americans," said Congressman Ryan.